



STATE OF WEST VIRGINIA
OFFICE OF THE ATTORNEY GENERAL
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CONSUMER PROTECTION DIVISION
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Press Release

FOR IMMEDIATE RELEASE

November 9, 2010

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Attorney General McGraw Recovers \$1.25 Million From Three Unlicensed Collection Agencies

CHARLESTON – West Virginia Attorney General Darrell McGraw today announced settlement agreements with three unlicensed collection agencies that will result in \$1,277,648.33 in cancelled debts for 161 West Virginia consumers and \$15,337.50 in cash refunds.

The Attorney General's Consumer Protection Division had opened an investigation against the companies – Trailhead Capital, LLC, a debt buyer based in Chicago, IL; Hollis Cobb Assoc., Inc., Trailhead's affiliated collection agency in Norcross, GA; and Troy Capital, LLC, a debt buyer based in Las Vegas, NV – after receiving complaints that revealed the three businesses were collecting debts in West Virginia without a license and surety bond as required by state law.

Records also showed that the debts the companies were attempting to collect were primarily charged-off credit card accounts originally owed to Chase, Wells Fargo Bank, and GE Capital. In West Virginia, businesses that purchase defaulted debts for collection, as Trailhead and Troy Capital did, cannot avoid being licensed and bonded by hiring other agencies to assist them in collecting the debts.

"Our nation suffers from an explosion of credit card debt resulting largely from companies that extended credit without due regard to consumers' ability to repay and without clearly disclosing the terms of financing," Attorney General McGraw said.

"Rather than working with consumers to develop plans that might enable them to pay their debt over time, banks increasingly sell defaulted credit card debt for pennies on the dollar to collection agencies called debt buyers," McGraw continued. "Debt buyers often take overly aggressive collection actions that include the filing of lawsuits – even when they have little proof of the debts they seek to collect from consumers.

"My office will continue its vigilance in ensuring that all debt buyers are licensed and bonded as well as follow the letter of our state's consumer protection laws."

To file a complaint concerning debt collection, West Virginia consumers can contact the Attorney General's Consumer Protection Hotline at 1-800-368-8808. Complaint forms are also available at www.wvago.gov. For regular consumer news updates, follow the AGO on Facebook and Twitter.

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